

OKEMOS PUBLIC SCHOOLS
REPORT ON FINANCIAL STATEMENTS
(with required supplementary and additional information)
YEAR ENDED JUNE 30, 2008

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INDEPENDENT AUDITORS' REPORT

To the Board of Education
Okemos Public Schools

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Okemos Public Schools, as of and for the year ended June 30, 2008, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Okemos Public Schools' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Okemos Public Schools as of June 30, 2008 and the respective changes in financial position, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2008, on our consideration of Okemos Public Schools' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages vi through xiv and page 30, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinions on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Okemos Public Schools' basic financial statements. The additional information on pages 32 to 71 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This additional information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Mayer, Costenizer & Ellis, P.C.

September 12, 2008

BASIC FINANCIAL STATEMENTS

**OKEMOS PUBLIC SCHOOLS
STATEMENT OF NET ASSETS
JUNE 30, 2008**

	Governmental activities
<hr/>	
ASSETS	
CURRENT ASSETS:	
Cash	\$ 8,960,613
Cash - restricted for capital projects	1,465,556
Investments	2,030
Investments - restricted for capital projects	4,053,688
Receivables:	
Intergovernmental	5,296,847
Other	253,845
Prepays	55,608
Inventories	37,819
	<hr/>
TOTAL CURRENT ASSETS	20,126,006
	<hr/>
NONCURRENT ASSETS:	
Deferred charges	173,556
Capital assets	102,084,081
Less accumulated depreciation	(40,472,808)
	<hr/>
TOTAL NONCURRENT ASSETS	61,784,829
	<hr/>
TOTAL ASSETS	\$ 81,910,835
	<hr/> <hr/>

	Governmental activities
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES:	
Accounts payable	\$ 668,117
Accrued interest payable	179,570
Salaries and fringe benefits payable	3,985,325
Deferred revenues	350,346
State aid anticipation note	3,145,000
Current portion of long-term obligations	6,190,000
Current portion of compensated absences	150,512
TOTAL CURRENT LIABILITIES	14,668,870
NONCURRENT LIABILITIES:	
Long-term obligations	62,993,786
Compensated absences	2,859,727
Accrued interest payable - capital appreciation bonds	499,663
TOTAL NONCURRENT LIABILITIES	66,353,176
TOTAL LIABILITIES	81,022,046
NET ASSETS (DEFICIT):	
Investment in capital assets net of related debt	26,646,550
Restricted for trust activities	137,160
Restricted for capital projects (sinking fund)	208,671
Unrestricted	(26,103,592)
TOTAL NET ASSETS	888,789
TOTAL LIABILITIES AND NET ASSETS	\$ 81,910,835

**OKEMOS PUBLIC SCHOOLS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008**

Functions/programs	Expenses	Program revenues		Governmental activities
		Charges for services	Operating grants	Net (expense)
				revenue and changes in net assets
Governmental activities:				
Instruction	\$ 24,948,831	\$	\$ 789,941	\$ (24,158,890)
Support services	15,280,198	235,061	16,475	(15,028,662)
Community services	2,517,846	2,346,522	114,015	(57,309)
Food services	1,378,165	1,103,670	296,985	22,490
Athletics	751,050	201,167	-	(549,883)
Interest and fees on long-term debt	4,076,225	-	-	(4,076,225)
Unallocated depreciation	1,525,657	-	-	(1,525,657)
Total governmental activities	\$ 50,477,972	\$ 3,886,420	\$ 1,217,416	(45,374,136)
General revenues:				
Property taxes, levied for general purposes				8,717,253
Property taxes, levied for debt service				6,809,407
Property taxes, levied for capital projects				1,757,123
Investment earnings				788,893
State sources				26,323,024
Ingham ISD special education allocation				3,115,568
Other				150,930
Total general revenues				47,662,198
CHANGE IN NET ASSETS				2,288,062
NET DEFICIT, beginning of year				(1,399,273)
NET ASSETS, end of year				\$ 888,789

See notes to financial statements.

**OKEMOS PUBLIC SCHOOLS
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

	<u>General fund</u>	<u>2007 Technology Capital projects fund</u>	<u>Other nonmajor governmental funds</u>	<u>Total governmental funds</u>
ASSETS				
ASSETS:				
Cash	\$ 7,557,585	\$ 1,465,556	\$ 1,403,028	\$ 10,426,169
Investments	1,198	4,053,688	832	4,055,718
Receivables:				
Intergovernmental	5,253,133	-	43,714	5,296,847
Other	232,855	-	20,990	253,845
Due from other funds	114,777	24,704	110,279	249,760
Due from non-governmental fund	15,607	-	-	15,607
Prepays	40,001	-	-	40,001
Inventories	-	-	37,819	37,819
TOTAL ASSETS	<u>\$ 13,215,156</u>	<u>\$ 5,543,948</u>	<u>\$ 1,616,662</u>	<u>\$ 20,375,766</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 400,056	\$ 204,456	\$ 63,605	\$ 668,117
Salaries and fringe benefits payable	3,985,325	-	-	3,985,325
Due to other funds	-	-	249,760	249,760
Deferred revenues	659,571	-	41,348	700,919
State aid anticipation note	3,145,000	-	-	3,145,000
TOTAL LIABILITIES	<u>8,189,952</u>	<u>204,456</u>	<u>354,713</u>	<u>8,749,121</u>
FUND BALANCES:				
Reserved for:				
Trust activities	-	-	137,160	137,160
Capital projects	-	5,339,492	208,671	5,548,163
Debt service	-	-	888,115	888,115

See notes to financial statements.

	General fund	2007 Technology Capital projects fund	Other nonmajor governmental funds	Total governmental funds
FUND BALANCES (Concluded):				
Unreserved, designated for Community Education	\$ 20,000	\$ -	\$ -	\$ 20,000
Unreserved, designated for subsequent year's expenditures	474,746	-	-	474,746
Unreserved, undesignated	4,530,458	-	28,003	4,558,461
TOTAL FUND BALANCES	5,025,204	5,339,492	1,261,949	11,626,645
TOTAL LIABILITIES AND FUND BALANCES	\$ 13,215,156	\$ 5,543,948	\$ 1,616,662	\$ 20,375,766
Total governmental fund balances				\$ 11,626,645
Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and are not reported in the funds				
The cost of the capital assets is			\$ 102,084,081	
Accumulated depreciation is			<u>(40,472,808)</u>	
				61,611,273
Long-term liabilities are not due and payable in the current period and are not reported in the funds				
Bonds payable				(69,362,737)
Compensated absences				(3,010,239)
Deferred bond premium				(272,106)
Deferred amount on bond refunding				451,057
Accrued interest is not included as a liability in governmental funds, it is recorded when paid				
Accrued interest capital appreciation bonds				(499,663)
Accrued interest other debt				(179,570)
Deferred charges for bond refunding				173,556
Deferred revenue at June 30, 2008 expected to be collected after September 1, 2008				<u>350,573</u>
Assets of governmental activities				\$ 888,789

See notes to financial statements.

OKEMOS PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2008

	<u>General fund</u>	<u>2007 Technology Capital projects fund</u>	<u>Other nonmajor governmental funds</u>	<u>Total governmental funds</u>
REVENUES:				
Property taxes	\$ 8,717,253	\$ -	\$ 8,566,530	\$ 17,283,783
Community services	2,346,522	-	-	2,346,522
Interest	259,112	394,569	135,212	788,893
Food service sales	-	-	1,103,670	1,103,670
Athletics	201,167	-	-	201,167
Other	385,991	-	-	385,991
	<hr/>	<hr/>	<hr/>	<hr/>
Total local sources	11,910,045	394,569	9,805,412	22,110,026
State sources	26,610,583	-	46,365	26,656,948
Federal sources	575,235	-	250,620	825,855
Intermediate district and other transactions	3,176,680	-	-	3,176,680
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	42,272,543	394,569	10,102,397	52,769,509
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES:				
Current:				
Instruction	24,405,300	-	-	24,405,300
Support services	14,772,493	-	-	14,772,493
Community services	2,510,960	-	-	2,510,960
Athletics	750,830	-	-	750,830
School lunch	-	-	1,377,761	1,377,761
Capital outlay	-	1,758,504	1,569,002	3,327,506

See notes to financial statements.

	General fund	2007 Technology Capital projects fund	Other nonmajor governmental funds	Total governmental funds
EXPENDITURES (Concluded):				
Debt service:				
Principal	\$ -	\$ -	\$ 5,475,000	\$ 5,475,000
Interest			1,268,567	1,268,567
Miscellaneous	-	66,921	2,975	69,896
Total expenditures	42,439,583	1,825,425	9,693,305	53,958,313
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(167,040)	(1,430,856)	409,092	(1,188,804)
OTHER FINANCING SOURCES (USES):				
Transfers in	132,773	-	112,470	245,243
Transfers (out)	-	-	(245,243)	(245,243)
Total other financing sources (uses)	132,773	-	(132,773)	-
NET CHANGE IN FUND BALANCES	(34,267)	(1,430,856)	276,319	(1,188,804)
FUND BALANCES:				
Beginning of year	5,059,471	6,770,348	985,630	12,815,449
End of year	\$ 5,025,204	\$ 5,339,492	\$ 1,261,949	\$ 11,626,645

See notes to financial statements.

OKEMOS PUBLIC SCHOOLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2008

Net change in fund balances total governmental funds \$ (1,188,804)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of activities these costs are allocated over their estimated useful lives as depreciation.

Depreciation expense	(2,548,774)
Capital outlay	3,327,506

Accrued interest on bonds is recorded in the statement of activities when incurred; it is not recorded in governmental funds until it is paid:

Accrued interest payable beginning of the year	673,812
Accrued interest payable end of the year	(679,233)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The effect of these differences in the treatment of long-term debt and related items is as follows:

Payment on debt (principal and appreciation) on deep discount bonds	5,475,000
Amortization of premium on debt	257,443
Amortization of deferred issuance costs	(22,785)
Current year appreciation on bonds	(2,857,682)
Amortization of deferred amount on bond refunding	(132,100)

Revenue is recorded on the accrual method in the statement of activities; in the governmental funds it is recorded on the modified accrual method and not considered available:

Deferred revenue, beginning of the year	(354,048)
Deferred revenue, end of the year	350,573

Compensated absences are reported on the accrual method in the statement of activities, and recorded as an expenditure when due in the governmental funds:

Accrued compensated absences beginning of the year	2,997,393
Accrued compensated absences end of the year	(3,010,239)

Change in net assets of governmental activities	\$ 2,288,062
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OKEMOS PUBLIC SCHOOLS
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2008

	<u>Agency fund</u>
ASSETS	
Cash	\$ 734,731
Investments - certificate of deposits	<u>12,642</u>
TOTAL ASSETS	<u><u>\$ 747,373</u></u>
LIABILITIES	
Liabilities:	
Payable Okemos Public Schools	\$ 11,610
Due to student groups:	
Elementary	120,437
Business office	104,126
Middle school	228,023
High school	<u>283,177</u>
TOTAL LIABILITIES	<u><u>\$ 747,373</u></u>

**OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Okemos Public Schools have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The Okemos Public Schools (the "District") is governed by the Okemos Public Schools of Education (the "Board"), which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state, and federal government sources and must comply with all of the requirements of these funding source entities. However, the District is not included in any other governmental reporting entity as defined by the accounting principles generally accepted in the United States of America. Board members are elected by the public and have decision-making authority, the power to designate management, the ability to significantly influence operations, and the primary accountability for fiscal matters. In addition, the District's reporting entity does not contain any component units as defined in Governmental Accounting Standards Board Statement No. 14 and 39.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. The government-wide financial statements categorize primary activities as either governmental or business type. All of the District's activities are classified as governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges paid by recipients who purchase, use or directly benefit from goods or services by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. State Foundation Aid, certain revenue from the intermediate school district and other unrestricted items are not included as program revenues but instead as *general revenues*.

In the government-wide statement of net assets, the governmental activities column (a) is presented on a consolidated basis, (b) and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets.

The District first utilizes restricted resources to finance qualifying activities.

**OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and fund financial statements (Continued)

The government-wide statement of activities reports both the gross and net cost of each of the District's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues and other revenue). The statement of activities reduces gross expenses by related program revenues and operating grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants.

The net costs (by function) are normally covered by general revenue (property taxes, state sources, intermediate district sources, interest income and other revenues.)

The District does not allocate indirect costs.

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net assets resulting from the current year's activities.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental Funds - Governmental funds are those funds through which most school district functions typically are financed. The acquisition, use and balances of the school district's expendable financial resources and the related current liabilities are accounted for through governmental funds.

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

The *2007 technology capital projects fund* is used to account for the 2007 debt proceeds and related expenditures.

Other Non-major Funds

The *special revenue funds* account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects). The District accounts for its food service and Dart gifted education fund in the special revenue funds,

The *debt service funds* account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *capital projects funds* account for the receipt of debt proceeds and the acquisition of fixed assets or construction of major capital projects.

**OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Government-wide and fund financial statements (Concluded)

Sinking Funds - The Okemos Public Schools' capital project fund records capital project activities funded with Sinking Fund millage. For this fund, the District has complied with the applicable provisions of §1212(1) of the Revised School Code and the State of Michigan Department of Treasury Letter No. 01-95.

The capital projects fund includes capital project activities funded with qualified bonds issued after May 1, 1994. Beginning with the year of bond issuance, the District has reported the annual activity in the 2007 capital projects fund. The cumulative revenue and expenditures are as follows:

	2007 technology fund
Revenue	\$ 394,568
Other financing sources - bond proceeds and bond premium	\$ 6,824,704
Expenditures	\$ 1,879,780

For these capital projects, the District has complied with the applicable provisions of §1351a of the Revised School Code.

Fiduciary funds account for assets held by the District in a trustee capacity or as an agent on behalf of others. Fiduciary funds are not included in the government-wide statements.

The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. This fund is used to account for assets that the District holds for others in an agency capacity (primarily student activities).

C. Measurement Focus, Basis of Accounting and Basis of Presentation

Accrual Method

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

**OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

Accrual Method (Concluded)

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board.

Modified Accrual Method

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded primarily when payment is due.

Property taxes, state and federal aid and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the District.

State Revenue

The State of Michigan utilizes a foundation grant approach which provides for a specific annual amount of revenue per pupil based on a statewide formula. The Foundation is funded from state and local sources. Revenues from state sources are primarily governed by the School Aid Act and the School Code of Michigan. The Michigan Department of Education administers the allocation of state funds to school districts based on information supplied by the districts. For the year ended June 30, 2008, the foundation allowance was based on pupil membership counts taken in February and September of 2007.

OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Concluded)

The state portion of the foundation is provided primarily by a state education property tax millage of 6 mills and an allocated portion of state sales and other taxes. The local portion of the foundation is funded primarily by non-homestead property taxes which may be levied at a rate of up to 18 mills. The State revenue is recognized during the foundation period and is funded through payments from October 2007 to August 2008. Thus, the unpaid portion at June 30th is reported as due from other governmental units.

The District also receives revenue from the state to administer certain categorical education programs. State rules require that revenue earmarked for these programs be used for its specific purpose. Categorical funds which are not expended by the close of the fiscal year are recorded as deferred revenue.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as needed.

D. Other Accounting Policies

1. Cash and equivalents include amounts in demand deposits and certificates of deposit.

The District reports its investments in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* and No. 40, *Deposits and Investment Risk Disclosures*. Under these standards, certain investments are valued at fair value as determined by quoted market prices or by estimated fair values when quoted market prices are not available. The standards also provide that certain investments are valued at cost (or amortized cost) when they are of a short-term duration, the rate of return is fixed, and the district intends to hold the investment until maturity. Accordingly, investments in banker acceptances and commercial paper are recorded at amortized cost.

State statutes authorize the District to invest in bonds and other direct and certain indirect obligations of the U.S. Treasury; certificates of deposit, savings accounts, deposit accounts, or depository receipts of a bank, savings and loan association, or credit union, which is a member of the Federal Deposit Insurance Corporation, Federal Savings and Loan Insurance Corporation, or National Credit Union Administration, respectively; in commercial paper rated at the time of purchase within the three highest classifications established by not less than two standard rating services and which matures not more than 270 days after the date of purchase. The District is also authorized to invest in U.S. Government or federal agency obligation repurchase agreements, bankers' acceptances of U.S. banks, and mutual funds composed of investments as outlined above.

OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Other Accounting Policies (Continued)

2. Property Taxes

Property taxes levied by the District are collected by various municipalities and periodically remitted to the District. The taxes are levied and become a lien as of July 1 and December 1 and are due upon receipt of the billing by the taxpayer and become a lien on the first day of the levy year. The actual due dates are September 14 and February 14, after which time the bills become delinquent and penalties and interest may be assessed by the collecting entity.

For the year ended June 30, 2008, the District levied the following amounts per \$1,000 of assessed valuation:

Fund	Mills
General fund - Non-homestead	18.0000
Debt service fund - Homestead and non-homestead	5.6400
Capital projects funds (Sinking Fund) - Homestead and non-homestead	1.4844

3. Inventories and Prepaid Expenditures

Inventories are valued at the lower of cost (first-in, first-out) or market. Inventories consisting of expendable supplies held for consumption, are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenditures.

4. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds).

All receivables, including property taxes receivable, are shown net of an allowance for uncollectibles.

OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Other Accounting Policies (Continued)

5. Capital Assets

Capital assets purchased or acquired are capitalized at historical cost or estimated historical cost. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets.

Depreciation on all assets is provided on the straight-line basis over the estimated useful lives as follows:

Buildings and additions	50 years
Furniture and other equipment	5 - 20 years

The District's capitalization regulation is to capitalize individual amounts exceeding \$15,000.

6. Compensated Absences

The District's contracts generally provide for granting vacation or sick leave with pay. The current and long-term liability for compensated absences is reported on the government-wide financial statements. A liability for these amounts, including related benefits, is reported in governmental funds only if they have matured, for example, as a result of employee leave, resignations or retirements.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities on the statement of net assets. Bond premiums and discounts, as well as issuance costs and the difference between the reacquisition price and the net carrying amount of the old debt, are deferred and amortized over the life of the bonds using straight line method which approximates the effective interest method over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Concluded)

D. Other Accounting Policies (Concluded)

8. Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are adopted for the general and significant special revenue funds. Encumbrance accounting is employed in governmental funds. Significant encumbrances outstanding at year end, if any, are reported as reservations of fund balance because they will be re-appropriated in the subsequent fiscal year.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Superintendent submits to the School Board a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them. The level of control for the budgets is at the functional level as set forth and presented as required supplementary information.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to July 1, the budget is legally adopted by School Board resolution pursuant to the Uniform Budgeting and Accounting Act (1968 PA 2). The Act requires that the budget be amended prior to the end of the fiscal year when necessary to adjust appropriations if it appears that revenues and other financing sources will be less than anticipated or so that expenditures will not be in excess of original estimates. Expenditures shall not be made or incurred, unless authorized in the budget, in excess of the amount appropriated. Violations, if any, for the general fund are noted in the required supplementary information section.

**OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Concluded)

4. The Superintendent is authorized to transfer budgeted amounts between major expenditure functions within any fund; however, these transfers and any revisions that alter the total expenditures of any fund must be approved by the School Board.
5. Formal budgetary integration is employed as a management control device during the year for the general and significant special revenue funds.
6. The budget was amended during the year with supplemental appropriations, the last one approved prior to June 30, 2008. The District does not consider these amendments to be significant.

NOTE 3 - DEPOSITS AND INVESTMENTS

As of June 30, 2008, the District had the following investments.

Investment Type	Fair value	Weighted average maturity (years)	Standard & Poor's Rating	%
MILAF External Investment pool - MICMS	\$ 13	0.0027	AAAm	.1%
MILAF External Investment pool - MIMAX	2,017	0.0027	AAAm	.5%
U.S. Government agencies	<u>4,053,688</u>	1.0882	AAAm	99.4%
Total fair value	<u>\$ 4,055,718</u>			<u>100%</u>
Portfolio weighted average maturity		<u>1.08</u>		

The District voluntarily invests certain excess funds in external pooled investment funds which included money market funds. One of the pooled investment funds utilized by the District is the Michigan Investment Liquid Asset Fund (MILAF). MILAF is an external pooled investment fund of “qualified” investments for Michigan school districts. MILAF is not regulated nor is it registered with the SEC. MILAF reports as of June 30, 2008, the fair value of the District’s investments is the same as the value of the pool shares.

**OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - DEPOSITS AND INVESTMENTS (Continued)

Interest rate risk. In accordance with its investment policy, the District will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by; structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the open market; and, investing operating funds primarily in shorter-term securities, liquid asset funds, money market mutual funds, or similar investment pools and limiting the average maturity in accordance with the District's cash requirements.

Credit risk. State law limits investments in commercial paper and corporate bonds to a prime or better rating issued by nationally recognized statistical rating organizations (NRSROs).

Concentration of credit risk. The District will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of the District's investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized.

Custodial credit risk - deposits. In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of June 30, 2008, \$11,533,737 of the District's bank balance of \$11,733,757 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name. The majority of these deposits are interest bearing. The carrying amount is \$11,173,542.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The District will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer, by; limiting investments to the types of securities allowed by law; and pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the District will do business.

OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 3 - DEPOSITS AND INVESTMENTS (Concluded)

Foreign currency risk. The District is not authorized to invest in investments which have this type of risk.

The carrying value of the above amounts as reported in Note 3:

Deposits - including fiduciary funds of \$751,370 carrying amount	\$ 11,173,542
Investments	<u>4,055,718</u>
	<u><u>\$ 15,229,260</u></u>

The above amounts are reported in the financial statements as follows:

Cash - agency fund	\$ 734,731
Investments - agency fund - certificate of deposit	12,642
Cash - district-wide	8,960,613
Cash restricted for capital projects	1,465,556
Investments - restricted for capital projects	4,053,688
Investments	<u>2,030</u>
	<u><u>\$ 15,229,260</u></u>

Included in the \$10,426,169 of cash - district-wide is \$1,465,556 of cash restricted for use as required by the 2007 technology capital projects fund and \$4,053,688 of investments is also restricted for this purpose.

NOTE 4 - RECEIVABLES

Intergovernmental receivables at June 30, 2008 consist of the following:

State Aid - Michigan Department of Education	\$ 4,869,371
Federal	229,349
Intermediate school district	<u>198,127</u>
Total	<u><u>\$ 5,296,847</u></u>

Amounts due from other governmental units include amounts due from federal, state and local sources for various projects and programs.

No allowance for doubtful accounts is considered necessary.

OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 5 - CAPITAL ASSETS

A summary of changes in the District's capital assets follows:

	2007	Additions	Deletions	2008
Assets, not being depreciated:				
Land	\$ 4,672,984	\$	\$	\$ 4,672,984
Construction in process	123,095	-	(123,095)	-
Subtotal	4,796,079	-	(123,095)	4,672,984
Capital assets, being depreciated:				
Land improvements	7,517,371	405,707	-	7,923,078
Building and improvements	72,130,435	923,462	-	73,053,897
Furniture and fixtures	6,194,557	362,929	-	6,557,486
Machinery and equipment	2,979,248	-	-	2,979,248
Computers and equipment	3,508,710	1,471,147	-	4,979,857
Transportation equipment	1,800,976	287,358	(170,803)	1,917,531
Total capital assets, being depreciated	94,131,297	3,450,603	(170,803)	97,411,097
Accumulated depreciation:				
Land improvements	3,420,753	371,545		3,792,298
Building and improvements	23,714,668	1,525,657		25,240,325
Furniture and fixtures	4,307,831	244,539		4,552,370
Machinery and equipment	2,234,451	89,734		2,324,185
Computers and equipment	2,897,273	216,690		3,113,963
Transportation equipment	1,519,861	100,609	(170,803)	1,449,667
Total accumulated depreciation	38,094,837	2,548,774	(170,803)	40,472,808
Net capital assets, being depreciated	56,036,460	901,829		56,938,289
Net governmental capital assets	\$ 60,832,539	\$ 901,829	\$ (123,095)	\$ 61,611,273

Depreciation for the fiscal year ended June 30, 2008 amounted to \$2,548,774. The District allocated depreciation to the various activities as follows:

Instruction	\$ 536,378
Support	480,589
Community service	6,150
Unassigned	1,525,657
	<u>\$ 2,548,774</u>

OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 6 - NOTE PAYABLE

At June 30, 2008, the District has a note payable outstanding of \$3,145,000. The note has an interest rate of 3.68% and matures August 20, 2008. The District has funds on deposit with financial institutions, which are included in cash on the statement of net assets to be applied against the \$3,145,000 note. The note is secured by the full faith and credit of the District as well as pledged state aid.

Balance June 30, 2007	Additions	Payments	Balance June 30, 2008
<u>\$ 3,200,000</u>	<u>\$ 3,145,000</u>	<u>\$ (3,200,000)</u>	<u>\$ 3,145,000</u>

NOTE 7 - LONG-TERM DEBT

The District issues general obligation bonds to provide funds for the acquisition, construction and improvement of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District.

The following is a summary of governmental long-term obligations for the District for the year ended June 30, 2008:

	Accumulated compensated absences	Bonded debt	Total
Balance, July 1, 2007	\$ 2,997,393	\$ 71,926,355	\$ 74,923,748
Additions		2,989,872	2,989,872
Deletions	<u>12,846</u>	<u>(5,732,441)</u>	<u>(5,719,595)</u>
Balance, June 30, 2008	3,010,239	69,183,786	72,194,025
Less current portion	<u>(150,512)</u>	<u>(6,190,000)</u>	<u>(6,340,512)</u>
Total due after one year	<u>\$ 2,859,727</u>	<u>\$ 62,993,786</u>	<u>\$ 65,853,513</u>

OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM DEBT (Continued)

Long-term debt currently outstanding is as follows:

1993 capital appreciation (serial) bonds due in annual installment of \$6,325,000 to \$9,960,000 from May 1, 2012 to May 1, 2021 with effective interest at 6.45% to 6.55% (maturity value \$80,225,000)	\$ 17,321,722	
Recorded appreciation	<u>28,706,015</u>	\$ 46,027,737
1999 general obligation bonds due in annual installments of \$640,000 to \$2,025,000 from May 1, 2008 through May 1, 2009 with interest at 4.65% to 4.70%		2,025,000
2003 general obligation bonds due in installments of \$110,000 to \$5,875,000 from 2008 to 2019 with interest at 4.000% to 5.000%		15,880,000
2007 school technology bonds due in installments of \$1,175,000 to \$1,525,000 from 2007 to 2012 with interest at 4.125%.		5,430,000
Plus: premium on bond refunding		272,106
Less: deferred amount on bond refunding		<u>(451,057)</u>
Total general obligation debt		69,183,786
Obligation under contract for compensated absences		<u>3,010,239</u>
Total general long-term debt		<u><u>\$ 72,194,025</u></u>

OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS

NOTE 7 - LONG-TERM DEBT (Concluded)

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account, assets and liabilities for the defeased bonds are not included in the District's financial statements. At June 30, 2008 bonds outstanding and considered defeased were \$84,726,299.

The annual requirements to amortize debt outstanding as of June 30, 2008, including interest payments are as follows:

Year ending June 30,	Principal	Interest	Amounts payable
2009	\$ 6,190,000	\$ 1,077,420	\$ 7,267,420
2010	6,705,000	793,938	7,498,938
2011	7,155,000	484,513	7,639,513
2012	7,715,000	137,963	7,852,963
2013	6,925,000	80,356	7,005,356
2014 - 2018	40,315,000	211,050	40,526,050
2019 - 2021	28,555,000	4,950	28,559,950
	103,560,000	2,790,190	106,350,190
Unrealized appreciation	(34,197,263)		(34,197,263)
Premium amount on bond refunding	272,106		272,106
Deferred loss on bond refunding	(451,057)		(451,057)
Accumulated compensated absences	3,010,239		3,010,239
	<u>\$ 72,194,025</u>	<u>\$ 2,790,190</u>	<u>\$ 74,984,215</u>

**OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 8 - INTERFUND RECEIVABLES AND PAYABLES

Interfund payable and receivable balances at June 30, 2008 are as follows:

Receivable fund		Payable fund	
General fund	\$ 94,084	Food service fund	\$ 94,084
General fund	2,200	Debt service 1999 refunding	2,200
General fund	733	Debt service 2002 refunding	733
General fund	11,595	Debt service 2003 refunding	11,595
General fund	1,027	Debt service 2003 technology	1,027
General fund	5,138	Debt service 2007 technology	5,138
Debt service 1993	27,650	Debt service 1999 refunding	27,650
Capital projects 2007 technology	24,704	Debt service 2007 technology	24,704
Debt service 2007 technology	82,629	Debt service 2003 technology	82,629
	<u>\$ 249,760</u>		<u>\$ 249,760</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting systems, and (3) payments between funds are made.

NOTE 9 - EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PLAN

Plan Description - The District contributes to the statewide Michigan Public School Employees' Retirement System (MPERS), a cost sharing multiple-employer state-wide defined benefit public employee retirement plan governed by the State of Michigan. The MPERS provides retirement survivor and disability benefits and postretirement benefits for health, dental and vision for substantially all employees of the District. The MPERS was established by Public Act 136 of 1945 and operated under the provisions of Public Act 300 of 1980, as amended. The MPERS issues a publicly available financial report that includes financial statements and required supplementary information for MPERS. That report may be obtained by writing to Michigan Public School Employees Retirement System, P.O. Box 30171, Lansing, Michigan 48909-7671 or by calling (800) 381-5111.

Funding Policy - Member Investment Plan (MIP) members enrolled in MIP prior to January 1, 1990 contribute a permanently fixed rate of 3.9% of gross wages. The MIP contribution rate was 4.0% from January 1, 1987, the effective date of the MIP, until January 1, 1990 when it was reduced to 3.9%. Members first hired January 1, 1990 or later and returning members who did not work between January 1, 1987 through December 31, 1989 contribute at the following graduated permanently fixed contribution rate: 3% of the first \$5,000; 3.6% of \$5,001 through \$15,000; 4.3% of all wages over \$15,000.

**OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - EMPLOYEE RETIREMENT SYSTEM - DEFINED BENEFIT PLAN (Concluded)

Basic Plan members make no contributions. For a limited period ending December 31, 1992, an active Basic Plan member could enroll in the MIP by paying the contributions that would have been made had enrollment occurred initially on January 1, 1987 or on the date of hire, plus interest. MIP contributions at the rate of 3.9% of gross wages begin at enrollment. Actuarial rate interest is posted to member accounts on July 1st on all MIP monies on deposit for 12 months. If a member leaves MPSERS service and no pension is payable, the member's accumulated contribution plus interest, if any, are refundable.

The District is required to contribute the full actuarial funding contribution amount to fund pension benefits, plus an additional amount to fund retiree health care benefit amounts on a cash disbursement basis. The rate for the year ended June 30, 2008 was 17.74% of payroll through September 30, 2007 and 16.72% effective October 1, 2007 through June 30, 2008. The contribution requirements of the plan members and the District are established and may be amended by the MPSERS Board of Trustee. The District contributions to MPSERS for the years ended June 30, 2008, 2007 and 2006 were approximately \$4,390,000, \$4,560,000 and \$4,100,000, respectively, equal to the required contribution for the year.

Other Post-employment Benefits - Also within the MPSERS system, retirees have the option of health coverage, which is funded on a cash disbursement basis by the employers. The MPSERS has contracted to provide the comprehensive group medical, hearing, dental and vision coverages for retirees and beneficiaries. A significant portion of the premium is paid by the MPSERS with the balance deducted from the monthly pension.

The District is not responsible for the payment of retirement or post-employment benefits which is the responsibility of the State of Michigan.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the District believes such amounts, if any, would be immaterial.

**OKEMOS PUBLIC SCHOOLS
NOTES TO FINANCIAL STATEMENTS**

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. With regard to injuries to employees, the District participates in an association of educational institutions within the State of Michigan for self-insuring workers disability compensation. The association is considered a public entity risk sharing pool. The District pays annual premiums to the association for its workers' disability compensation coverage. In the event the association's total claims and expenses for a policy year exceeded the total normal annual premiums for said years, all members of the policy year may be subject to special assessment to make up the difference. The association maintains reinsurance for claims in excess of \$500,000 for each occurrence with the overall maximum coverage being unlimited. The District has not been informed of any special assessments being required. This program is recorded in the general fund. The District continues to carry commercial insurance for other risks of loss, including employee health and accident insurance.

Self-funded dental and vision insurance programs were approved by the Board of Education and implemented for support personnel. All plans have limits on amounts for expenditures that will be reimbursed. This program is recorded in the general fund. Any liability for incurred and unreported claims is not considered material.

Settlements have not exceeded coverage for each of the past three fiscal years. Changes in the balances of claims liabilities during the past three years have been immaterial.

NOTE 12 - TRANSFERS

The Dart Gifted Education fund transferred \$112,773 to the general fund for gifted and talented program. The Food Service fund transferred \$20,000 to the general fund for general expenses. The 2002 Debt Service fund transferred \$25,852 to the 2007 technology debt service fund as the long-term debt has been paid off. The 2003 Technology debt service fund transferred \$86,618 to the 2007 Technology debt service fund as the long term debt has been paid off.

NOTE 13 - SUBSEQUENT EVENTS

Subsequent to year-end, the District entered into an agreement to borrow \$2,800,000 as a State aid note bearing interest at 1.7% and maturing August 20, 2009. The note is secured by the full faith and credit of the District as well as pledged state aid.

REQUIRED SUPPLEMENTARY INFORMATION

**OKEMOS PUBLIC SCHOOLS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2008**

	Original budget	Final budget	Actual	Variance with final budget - positive (negative)
REVENUES:				
Local sources	\$ 11,615,673	\$ 11,952,896	\$ 11,910,045	\$ (42,851)
State sources	27,169,258	26,637,954	26,610,583	(27,371)
Federal sources	416,416	563,616	575,235	11,619
Intermediate district and other transactions	3,104,846	3,225,178	3,176,680	(48,498)
Total revenues	42,306,193	42,379,644	42,272,543	(107,101)
EXPENDITURES:				
Current:				
Instruction:				
Basic programs	19,755,944	20,037,315	20,107,949	(70,634)
Added needs	4,469,752	4,446,951	4,297,351	149,600
Total instruction	24,225,696	24,484,266	24,405,300	78,966
Support services:				
Pupil	2,744,467	2,774,539	2,797,340	(22,801)
Instruction staff	1,529,251	1,485,407	1,416,734	68,673
General administration	766,329	730,944	728,911	2,033
School administration	2,808,326	2,749,204	2,738,083	11,121
Business	1,340,613	1,278,106	1,234,318	43,788
Operations and maintenance	4,341,927	4,453,117	4,489,968	(36,851)
Transportation	852,729	922,636	970,283	(47,647)
Central	364,171	389,950	379,678	10,272
Other support services	54,450	24,455	17,178	7,277
Total support services	14,802,263	14,808,358	14,772,493	35,865
Community services	2,533,778	2,571,416	2,510,960	60,456
Athletics	714,456	717,025	750,830	(33,805)
Total expenditures	42,276,193	42,581,065	42,439,583	141,482
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	30,000	(201,421)	(167,040)	34,381
OTHER FINANCING SOURCES:				
Transfers in	(30,000)	132,773	132,773	
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (68,648)</u>	<u>(34,267)</u>	<u>\$ 34,381</u>
FUND BALANCE, beginning of year			5,059,471	
FUND BALANCE, end of year			<u>\$ 5,025,204</u>	

ADDITIONAL INFORMATION

**OKEMOS PUBLIC SCHOOLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008**

	<u>Special revenue</u>	<u>Debt service</u>	<u>Capital projects</u>	<u>Total nonmajor governmental funds</u>
ASSETS				
ASSETS:				
Cash	\$ 208,560	\$ 932,799	\$ 261,669	\$ 1,403,028
Investment	-	713	119	832
Receivables:				-
Intergovernmental	43,714	-	-	43,714
Other	20,990	-	-	20,990
Due from other funds	-	110,279	-	110,279
Inventory	37,819	-	-	37,819
TOTAL ASSETS	<u>\$ 311,083</u>	<u>\$ 1,043,791</u>	<u>\$ 261,788</u>	<u>\$ 1,616,662</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 10,488	\$ -	\$ 53,117	\$ 63,605
Deferred revenue	41,348	-	-	41,348
Due to other funds	94,084	155,676	-	249,760
TOTAL LIABILITIES	<u>145,920</u>	<u>155,676</u>	<u>53,117</u>	<u>354,713</u>
FUND BALANCES:				
Reserved for:				
Trust activities	137,160	-	-	137,160
Debt service	-	888,115	-	888,115
Total reserved	137,160	888,115	-	1,025,275
Undesignated	28,003	-	208,671	236,674
TOTAL FUND BALANCES	<u>165,163</u>	<u>888,115</u>	<u>208,671</u>	<u>1,261,949</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 311,083</u>	<u>\$ 1,043,791</u>	<u>\$ 261,788</u>	<u>\$ 1,616,662</u>

OKEMOS PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2008

	<u>Special revenue</u>	<u>Debt service</u>	<u>Capital projects</u>	<u>Total nonmajor governmental funds</u>
REVENUES:				
Local sources:				
Property taxes	\$ -	\$ 6,809,407	\$ 1,757,123	\$ 8,566,530
Interest	9,597	109,979	15,636	135,212
Food service sales	1,103,670	-	-	1,103,670
Total local sources	1,113,267	6,919,386	1,772,759	9,805,412
State sources	46,365	-	-	46,365
Federal sources	250,620	-	-	250,620
Total revenues	1,410,252	6,919,386	1,772,759	10,102,397
EXPENDITURES:				
School lunch	1,377,761	-	-	1,377,761
Capital outlay	-	-	1,569,002	1,569,002
Debt service:				
Principal	-	5,475,000	-	5,475,000
Interest	-	1,268,567	-	1,268,567
Miscellaneous	-	2,975	-	2,975
Total expenditures	1,377,761	6,746,542	1,569,002	9,693,305
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	32,491	172,844	203,757	409,092
OTHER FINANCING SOURCES (USES):				
Transfers in		112,470	-	112,470
Transfers out	(132,773)	(112,470)	-	(245,243)
Total other financing sources (uses)	(132,773)	-	-	(132,773)
NET CHANGE IN FUND BALANCES	(100,282)	172,844	203,757	276,319
FUND BALANCES:				
Beginning of year	265,445	715,271	4,914	985,630
End of year	\$ 165,163	\$ 888,115	\$ 208,671	\$ 1,261,949

**OKEMOS PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF REVENUES
YEAR ENDED JUNE 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
LOCAL SOURCES:			
Property taxes	\$ 8,707,156	\$ 8,717,253	\$ 10,097
Community services	2,421,595	2,346,522	(75,073)
Interest	244,000	259,112	15,112
Athletics	207,000	201,167	(5,833)
Other	373,145	385,991	12,846
	<u>11,952,896</u>	<u>11,910,045</u>	<u>(42,851)</u>
Total local sources			
STATE SOURCES:			
State aid	<u>26,637,954</u>	<u>26,610,583</u>	<u>(27,371)</u>
FEDERAL SOURCES:			
Title I	327,174	265,822	(61,352)
Other grants	<u>236,442</u>	<u>309,413</u>	<u>72,971</u>
	<u>563,616</u>	<u>575,235</u>	<u>11,619</u>
Total federal sources			
INTERMEDIATE DISTRICT TRANSACTIONS:			
Intermediate school district	<u>3,225,178</u>	<u>3,176,680</u>	<u>(48,498)</u>
TOTAL REVENUES	<u>\$ 42,379,644</u>	<u>\$ 42,272,543</u>	<u>\$ (107,101)</u>

**OKEMOS PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
INSTRUCTION:			
Basic programs:			
Elementary:			
Salaries:			
Faculty	\$ 5,414,025	\$ 5,422,597	\$ (8,572)
Extra duty	10,000	9,556	444
Reserve faculty	268,640	274,813	(6,173)
Employee insurance/benefits	1,074,645	1,076,789	(2,144)
Retirement	967,754	956,308	11,446
FICA	441,988	439,736	2,252
Travel and conferences	3,300	4,005	(705)
Contracted services	31,500	27,942	3,558
Supplies	79,879	83,254	(3,375)
Textbooks	115,359	100,517	14,842
Outgoing transfers to the ISD	129,163	128,835	328
	<u>8,536,253</u>	<u>8,524,352</u>	<u>11,901</u>
Total elementary			
Middle school:			
Faculty salaries	3,209,550	3,216,242	(6,692)
Extra duty	75,000	82,523	(7,523)
Reserve faculty salaries	-	7,113	(7,113)
Employee insurance/benefits	534,250	544,661	(10,411)
Retirement	558,374	555,889	2,485
FICA	255,268	256,230	(962)
Travel and conferences	1,000	1,222	(222)
Contracted services	16,400	19,471	(3,071)
Supplies	40,805	40,883	(78)
Textbooks	86,916	84,327	2,589
Outgoing transfers to the ISD	81,000	80,055	945
	<u>4,858,563</u>	<u>4,888,616</u>	<u>(30,053)</u>
Total middle school			

**OKEMOS PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
INSTRUCTION (Continued):			
Basic programs (Concluded):			
High school:			
Salaries:			
Faculty	\$ 4,202,439	\$ 4,180,743	\$ 21,696
Extra duty	155,000	160,642	(5,642)
Employee insurance/benefits	794,000	904,448	(110,448)
Retirement	736,959	714,957	22,002
FICA	334,662	330,282	4,380
Travel and conferences	5,000	556	4,444
Contracted services	33,780	42,444	(8,664)
Supplies	88,692	76,289	12,403
Textbooks	159,727	149,899	9,828
Other expenses	32,240	21,120	11,120
Outgoing transfers to the ISD	100,000	113,601	(13,601)
Total high school	<u>6,642,499</u>	<u>6,694,981</u>	<u>(52,482)</u>
Total basic programs	<u>20,037,315</u>	<u>20,107,949</u>	<u>(70,634)</u>
Added needs:			
Special education:			
Salaries:			
Faculty	1,783,461	1,765,490	17,971
Teacher aides	252,000	244,979	7,021
Reserve faculty	20,000	10,017	9,983
Employee insurance/benefits	457,484	461,660	(4,176)
Retirement	348,090	339,384	8,706
FICA	158,641	155,771	2,870
Travel and conferences	6,700	2,489	4,211
Contracted services	10,000	2,660	7,340
Supplies	14,758	16,648	(1,890)
Textbooks	800	-	800
Outgoing transfers to the ISD	56,000	41,566	14,434
Total special education	<u>3,107,934</u>	<u>3,040,664</u>	<u>67,270</u>

**OKEMOS PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
INSTRUCTION (Concluded):			
Added needs (Concluded):			
Compensatory education:			
Salaries:			
Faculty	\$ 793,611	\$ 756,778	\$ 36,833
Teacher aides	125,501	102,366	23,135
Employee insurance/benefits	120,498	112,688	7,810
Retirement	139,635	129,505	10,130
FICA	65,192	58,925	6,267
Contracted services	50,854	53,505	(2,651)
Compensatory education	3,300	3,320	(20)
Supplies	8,197	7,371	826
	<u>1,306,788</u>	<u>1,224,458</u>	<u>82,330</u>
Total compensatory education			
	<u>1,306,788</u>	<u>1,224,458</u>	<u>82,330</u>
Gifted programs:			
Employee insurance/benefits	12,000	12,000	-
Retirement	13,744	13,744	-
FICA	6,185	6,185	-
Contracted services	300	300	-
	<u>32,229</u>	<u>32,229</u>	<u>-</u>
Total gifted programs			
	<u>32,229</u>	<u>32,229</u>	<u>-</u>
Total added needs	<u>4,446,951</u>	<u>4,297,351</u>	<u>149,600</u>
TOTAL INSTRUCTION	<u>24,484,266</u>	<u>24,405,300</u>	<u>78,966</u>

**OKEMOS PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
SUPPORT SERVICES:			
Pupil:			
Guidance services:			
Salaries:			
Counselors	\$ 826,950	\$ 824,830	\$ 2,120
Clerical	27,659	27,637	22
Employee insurance/benefits	152,000	151,826	174
Retirement	145,283	142,976	2,307
FICA	65,377	65,422	(45)
Supplies	3,800	2,466	1,334
	<u>1,221,069</u>	<u>1,215,157</u>	<u>5,912</u>
Total guidance services			
Special education support:			
Psychological services:			
Salaries	220,223	225,238	(5,015)
Employee insurance/benefits	44,000	43,876	124
Retirement	37,438	37,855	(417)
FICA	16,847	17,226	(379)
Travel and conference	1,200	860	340
Supplies	4,000	5,117	(1,117)
Speech pathology and audiology:			
Salaries	332,425	338,887	(6,462)
Employee insurance/benefits	60,000	59,704	296
Retirement	56,512	56,935	(423)
FICA	25,430	25,711	(281)
Travel and conference	2,280	2,262	18
Supplies	1,200	1,951	(751)

**OKEMOS PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
SUPPORT SERVICES (Continued):			
Pupil (Concluded):			
Special education support (Continued):			
Social work services:			
Salaries	\$ 241,000	\$ 241,659	\$ (659)
Employee insurance/benefits	44,500	44,425	75
Retirement	40,970	40,604	366
FICA	18,437	18,693	(256)
Travel and conference	1,520	1,225	295
Supplies	400	373	27
Teacher consultant:			
Salaries	82,413	81,366	1,047
Employee insurance/benefits	14,000	12,466	1,534
Retirement	14,010	13,581	429
FICA	6,305	6,224	81
Total special education support	<u>1,265,110</u>	<u>1,276,238</u>	<u>(11,128)</u>
Other pupil services:			
Salaries	221,500	237,232	(15,732)
Employee insurance/benefits	13,000	12,997	3
Retirement	37,145	37,603	(458)
FICA	16,715	18,113	(1,398)
Total other pupil services	<u>288,360</u>	<u>305,945</u>	<u>(17,585)</u>
Total pupil	<u>2,774,539</u>	<u>2,797,340</u>	<u>(22,801)</u>

**OKEMOS PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
SUPPORT SERVICES (Continued):			
Instructional staff:			
Curriculum improvement:			
Salaries:			
Faculty	\$ 144,514	\$ 143,926	\$ 588
Clerical	37,351	35,443	1,908
Employee insurance/benefits	39,400	37,798	1,602
Retirement	30,917	30,325	592
FICA	13,913	12,722	1,191
Contracted services	2,632	2,004	628
Travel and conferences	45,328	38,157	7,171
Supplies	41,900	35,540	6,360
Program development	43,375	18,358	25,017
	<u>399,330</u>	<u>354,273</u>	<u>45,057</u>
Total curriculum improvement			
	<u>399,330</u>	<u>354,273</u>	<u>45,057</u>
Library:			
Salaries	339,990	348,980	(8,990)
Employee insurance/benefits	111,100	110,417	683
Retirement	57,798	58,577	(779)
FICA	27,510	27,971	(461)
Contracted services	2,000	-	2,000
IMC books	28,300	25,083	3,217
Capital outlay	1,000	-	1,000
Supplies	17,200	14,497	2,703
Travel and conferences	17,500	6,937	10,563
Contracted services - audio visual	5,500	4,620	880
Supplies - audio visual	36,000	29,126	6,874
	<u>643,898</u>	<u>626,208</u>	<u>17,690</u>
Total library			
	<u>643,898</u>	<u>626,208</u>	<u>17,690</u>

**OKEMOS PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
SUPPORT SERVICES (Continued):			
Instructional staff (Concluded):			
Supervision and direction:			
Salaries:			
Directors	\$ 105,985	\$ 107,000	\$ (1,015)
Clerical	44,600	41,798	2,802
Employee insurance/benefits	22,100	22,946	(846)
Retirement	25,599	25,212	387
FICA	11,520	10,955	565
Postage	750	-	750
Contracted services	10,000	7,133	2,867
Travel and conferences	2,800	-	2,800
Supplies	5,600	5,162	438
Total supervision and direction	<u>228,954</u>	<u>220,206</u>	<u>8,748</u>
Other instructional services:			
Salaries - area coordinators	150,000	152,831	(2,831)
Employee insurance/benefits	26,250	25,862	388
Retirement	25,500	25,663	(163)
FICA	11,475	11,691	(216)
Total other instructional services	<u>213,225</u>	<u>216,047</u>	<u>(2,822)</u>
Total instructional staff	<u>1,485,407</u>	<u>1,416,734</u>	<u>68,673</u>
General administration:			
Board of Education:			
Contracted services	125,000	120,671	4,329
Travel	5,000	9,169	(4,169)
Total Board of Education	<u>130,000</u>	<u>129,840</u>	<u>160</u>

**OKEMOS PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
SUPPORT SERVICES (Continued):			
General administration (Concluded):			
Executive administration:			
Salaries:			
Administrators	\$ 286,800	\$ 288,862	\$ (2,062)
Clerical	102,000	102,711	(711)
Employee insurance/benefits	51,000	51,255	(255)
Retirement	66,096	66,302	(206)
FICA	30,318	27,994	2,324
Contracted services	18,000	18,478	(478)
Travel and conferences	10,000	9,899	101
Postage	12,000	12,728	(728)
Publications	4,400	968	3,432
Office supplies	3,200	5,124	(1,924)
Miscellaneous	17,130	14,750	2,380
Total executive administration	<u>600,944</u>	<u>599,071</u>	<u>1,873</u>
Total general administration	<u>730,944</u>	<u>728,911</u>	<u>2,033</u>
School administration:			
Office of the principal:			
Salaries:			
Principals	1,209,875	1,212,668	(2,793)
Clerical	515,020	525,379	(10,359)
Employee insurance/benefits	372,370	370,851	1,519
Retirement	290,780	289,569	1,211
FICA	130,950	130,318	632
Travel and conferences	10,500	4,272	6,228
Postage	51,200	51,477	(277)
Contracted services	125,784	120,625	5,159
Supplies	26,577	23,193	3,384
Miscellaneous	16,148	9,731	6,417
Total school administration	<u>2,749,204</u>	<u>2,738,083</u>	<u>11,121</u>

**OKEMOS PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
SUPPORT SERVICES (Continued):			
Business:			
Fiscal services:			
Salaries:			
Administrator	\$ 109,005	\$ 106,032	\$ 2,973
Clerical	79,800	77,294	2,506
Employee insurance/benefits	65,000	66,668	(1,668)
Retirement	32,096	30,452	1,644
FICA	14,444	13,998	446
Travel and conferences	3,000	3,610	(610)
Contracted services	4,800	4,769	31
Supplies	5,000	4,762	238
Association fees	200	214	(14)
Total fiscal services	<u>313,345</u>	<u>307,799</u>	<u>5,546</u>
Internal and other business services:			
Salaries	226,710	228,159	(1,449)
Employee insurance/benefits	177,267	169,940	7,327
Retirement	38,541	38,255	286
FICA	17,343	17,672	(329)
Travel and conferences	3,500	1,050	2,450
Contracted services	255,000	239,264	15,736
Supplies	77,000	77,437	(437)
Other supplies	4,500	2,535	1,965
Interest	117,000	115,475	1,525
Miscellaneous	41,000	34,099	6,901
Tax collection fees	2,500	380	2,120
Capital outlay	4,400	2,253	2,147
Total internal and other business services	<u>964,761</u>	<u>926,519</u>	<u>38,242</u>
Total business	<u>1,278,106</u>	<u>1,234,318</u>	<u>43,788</u>

**OKEMOS PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
SUPPORT SERVICES (Continued):			
Operation and maintenance of plant:			
Salaries:			
Supervisor	\$ 129,577	\$ 128,159	\$ 1,418
Staff	1,518,250	1,530,397	(12,147)
Employee insurance/benefits	450,000	446,119	3,881
Retirement	280,131	278,086	2,045
FICA	127,559	127,291	268
Travel and conferences	1,600	1,247	353
Telephone	76,000	87,358	(11,358)
Utilities	1,248,000	1,262,089	(14,089)
Contracted services	300,000	303,530	(3,530)
Supplies	290,000	298,573	(8,573)
Capital outlay	32,000	27,119	4,881
Total operation and maintenance of plant	<u>4,453,117</u>	<u>4,489,968</u>	<u>(36,851)</u>
Pupil transportation services:			
Salaries:			
Supervisor	71,050	72,578	(1,528)
Clerical	19,500	19,043	457
Bus drivers	320,000	354,656	(34,656)
Garage employees	72,260	78,975	(6,715)
Employee insurance/benefits	126,758	121,671	5,087
Retirement	80,208	84,016	(3,808)
FICA	36,460	37,757	(1,297)
Travel and conferences	2,500	1,955	545
Contracted services	50,600	51,746	(1,146)
Supplies	142,500	147,077	(4,577)
Office supplies	800	809	(9)
Total pupil transportation services	<u>922,636</u>	<u>970,283</u>	<u>(47,647)</u>

**OKEMOS PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2008**

	Budget	Actual	Variance with final budget- positive (negative)
SUPPORT SERVICES (Concluded):			
Data processing services:			
Salaries	\$ 180,000	\$ 189,503	\$ (9,503)
Employee insurance/benefits	38,580	38,065	515
Retirement	30,600	34,364	(3,764)
FICA	13,770	12,047	1,723
Data processing services	120,000	100,252	19,748
Supplies	5,000	5,207	(207)
Travel and conference	2,000	240	1,760
	<u>389,950</u>	<u>379,678</u>	<u>10,272</u>
 Total central			
	<u>389,950</u>	<u>379,678</u>	<u>10,272</u>
 Other:			
Discretionary funds building	11,455	9,375	2,080
Capital outlay	13,000	7,803	5,197
	<u>24,455</u>	<u>17,178</u>	<u>7,277</u>
 Total other			
	<u>24,455</u>	<u>17,178</u>	<u>7,277</u>
 TOTAL SUPPORT SERVICES	<u>14,808,358</u>	<u>14,772,493</u>	<u>35,865</u>
 COMMUNITY SERVICES:			
Salaries	1,511,378	1,506,810	4,568
Employee insurance/benefits	211,178	190,721	20,457
Retirement	253,938	251,494	2,444
FICA	114,617	116,053	(1,436)
Travel and conference	9,625	5,788	3,837
Postage	9,600	10,471	(871)
Printing	4,070	1,175	2,895

**OKEMOS PUBLIC SCHOOLS
GENERAL FUND
SCHEDULE OF EXPENDITURES
YEAR ENDED JUNE 30, 2008**

	<u>Budget</u>	<u>Actual</u>	<u>Variance with final budget- positive (negative)</u>
COMMUNITY SERVICES (Concluded):			
Contracted services	\$ 228,291	\$ 223,187	\$ 5,104
Publications	33,050	32,482	568
Supplies	114,519	100,224	14,295
Telephone	7,415	8,182	(767)
Transportation	15,588	18,208	(2,620)
Field trips	8,644	10,867	(2,223)
Miscellaneous	40,947	34,591	6,356
Capital outlay	8,556	707	7,849
	<u>2,571,416</u>	<u>2,510,960</u>	<u>60,456</u>
TOTAL COMMUNITY SERVICES			
ATHLETICS:			
Salaries:			
Director	91,865	98,544	(6,679)
Coaches	260,000	262,466	(2,466)
Secretary	27,650	27,637	13
Employee insurance/benefits	28,525	28,852	(327)
Retirement	60,067	64,408	(4,341)
FICA	28,900	29,439	(539)
Contracted services	212,018	225,897	(13,879)
Travel and conferences	1,000	1,234	(234)
Supplies	7,000	12,353	(5,353)
	<u>717,025</u>	<u>750,830</u>	<u>(33,805)</u>
TOTAL ATHLETICS			
TOTAL EXPENDITURES	<u>\$ 42,581,065</u>	<u>\$ 42,439,583</u>	<u>\$ 141,482</u>

**OKEMOS PUBLIC SCHOOLS
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2008
(with comparative totals for June 30, 2007)**

			<u>Totals</u>	
	<u>School lunch fund</u>	<u>Dart gifted education fund</u>	<u>2008</u>	<u>2007</u>
ASSETS				
Cash	\$ 71,400	\$ 137,160	\$ 208,560	\$ 345,842
Receivables:				
Intergovernmental	43,714	-	43,714	35,563
Other	20,990	-	20,990	10,448
Inventory	37,819	-	37,819	43,048
TOTAL ASSETS	<u>\$ 173,923</u>	<u>\$ 137,160</u>	<u>\$ 311,083</u>	<u>\$ 434,901</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 10,488	\$ -	\$ 10,488	\$ 1,277
Deferred revenue	41,348	-	41,348	37,102
Due to other funds	94,084	-	94,084	131,077
Total liabilities	<u>145,920</u>	<u>-</u>	<u>145,920</u>	<u>169,456</u>
Fund balances:				
Reserved - trust activities	-	137,160	137,160	240,336
Unreserved and undesignated	28,003	-	28,003	25,109
Total fund balances	<u>28,003</u>	<u>137,160</u>	<u>165,163</u>	<u>265,445</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 173,923</u>	<u>\$ 137,160</u>	<u>\$ 311,083</u>	<u>\$ 434,901</u>

OKEMOS PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2008
(with comparative totals for the year ended June 30, 2007)

			<u>Totals</u>	
	School lunch fund	Dart gifted education fund	2008	2007
REVENUES:				
Food sales	\$ 1,103,670	\$ -	\$ 1,103,670	\$ 1,119,304
Federal sources	250,620	-	250,620	184,917
State sources	46,365	-	46,365	37,415
Interest	-	9,597	9,597	18,085
Total revenues	<u>1,400,655</u>	<u>9,597</u>	<u>1,410,252</u>	<u>1,359,721</u>
EXPENDITURES:				
Salaries and wages	452,554	-	452,554	463,541
Employee benefits	182,656	-	182,656	207,573
Supplies and other expenses	162,830	-	162,830	151,354
Food costs	<u>579,721</u>	<u>-</u>	<u>579,721</u>	<u>519,005</u>
Total expenditures	<u>1,377,761</u>	<u>-</u>	<u>1,377,761</u>	<u>1,341,473</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>22,894</u>	<u>9,597</u>	<u>32,491</u>	<u>18,248</u>
OTHER FINANCING USES:				
Transfers out	<u>(20,000)</u>	<u>(112,773)</u>	<u>(132,773)</u>	<u>(68,295)</u>
NET CHANGE IN FUND BALANCES	<u>2,894</u>	<u>(103,176)</u>	<u>(100,282)</u>	<u>(50,047)</u>
FUND BALANCES, beginning of year	<u>25,109</u>	<u>240,336</u>	<u>265,445</u>	<u>315,492</u>
FUND BALANCES, end of year	<u>\$ 28,003</u>	<u>\$ 137,160</u>	<u>\$ 165,163</u>	<u>\$ 265,445</u>

**OKEMOS PUBLIC SCHOOLS
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
JUNE 30, 2008
(with comparative totals for June 30, 2007)**

	Debt service funds						Totals	
ASSETS	1993	Refunding 1999	Refunding 2002	Refunding 2003	Technology 2003	Technology 2007	2008	2007
Cash	\$ 57,794	\$ 227,623	\$ 26,466	\$ 387,270	\$ 87,526	\$ 146,120	\$ 932,799	\$ 750,885
Investments	119	237	119	119	119	-	713	684
Due from other funds	27,650	-	-	-	-	82,629	110,279	27,650
	<u>\$ 85,563</u>	<u>\$ 227,860</u>	<u>\$ 26,585</u>	<u>\$ 387,389</u>	<u>\$ 87,645</u>	<u>\$ 228,749</u>	<u>\$ 1,043,791</u>	<u>\$ 779,219</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Due to other funds	\$ -	\$ 29,851	\$ 26,585	\$ 11,595	\$ 87,645	\$ -	\$ 155,676	\$ 52,354
Accounts payable	-	-	-	-	-	-	-	11,595
Total liabilities	-	29,851	26,585	11,595	87,645	-	155,676	63,949
Fund balances:								
Reserved for debt service	85,563	198,009	-	375,794	-	228,749	888,115	715,270
	<u>\$ 85,563</u>	<u>\$ 227,860</u>	<u>\$ 26,585</u>	<u>\$ 387,389</u>	<u>\$ 87,645</u>	<u>\$ 228,749</u>	<u>\$ 1,043,791</u>	<u>\$ 779,219</u>

OKEMOS PUBLIC SCHOOLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2008
(with comparative totals for the year ended June 30, 2007)

	Debt service funds						Totals	
	1993	Refunding 1999	Refunding 2002	Refunding 2003	Technology 2003	Technology 2007	2008	2007
REVENUES:								
Local sources:								
Property taxes	\$ -	\$ 723,920	\$ 241,306	\$ 3,809,413	\$ 337,090	\$ 1,697,678	\$ 6,809,407	\$ 4,774,143
Interest	2,309	17,494	5,243	53,767	6,152	25,014	109,979	122,372
Total revenues	2,309	741,414	246,549	3,863,180	343,242	1,722,692	6,919,386	4,896,515
EXPENDITURES:								
Debt service:								
Principal retirement	-	640,000	280,000	2,885,000	300,000	1,370,000	5,475,000	2,540,858
Interest	-	123,984	7,228	893,017	8,250	236,088	1,268,567	2,407,719
Miscellaneous expense	500	900	500	250	500	325	2,975	2,350
Total expenditures	500	764,884	287,728	3,778,267	308,750	1,606,413	6,746,542	4,950,927
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,809	(23,470)	(41,179)	84,913	34,492	116,279	172,844	(54,412)
OTHER FINANCING SOURCES (USES):								
Transfers in	-	-	-	-	-	112,470	112,470	303,846
Transfers out	-	-	(25,852)	-	(86,618)	-	(112,470)	(303,846)
Total other financing sources (uses)	-	-	(25,852)	-	(86,618)	112,470	-	-
NET CHANGE IN FUND BALANCES	1,809	(23,470)	(67,031)	84,913	(52,126)	228,749	172,844	(54,412)
FUND BALANCES, beginning of year	83,754	221,479	67,031	290,881	52,126	-	715,271	769,682
FUND BALANCES, end of year	\$ 85,563	\$ 198,009	\$ -	\$ 375,794	\$ -	\$ 228,749	\$ 888,115	\$ 715,270

**OKEMOS PUBLIC SCHOOLS
BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS – SINKING FUND
JUNE 30, 2008**

	Totals	
	2008	2007
ASSETS		
Cash	\$ 261,669	\$ 232,976
Investments	119	114
	<u>\$ 261,788</u>	<u>\$ 233,090</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 53,117	\$ 228,176
Fund balances:		
Unreserved, undesignated	<u>208,671</u>	<u>4,914</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 261,788</u>	<u>\$ 233,090</u>

**OKEMOS PUBLIC SCHOOLS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUND – SINKING FUND
YEAR ENDED JUNE 30, 2008**

	Total	
	2008	2007
REVENUES:		
Local sources:		
Property taxes	\$ 1,757,123	\$ 1,730,962
Interest on investments	15,636	23,089
	<u>1,772,759</u>	<u>1,754,051</u>
Total revenues		
	<u>1,772,759</u>	<u>1,754,051</u>
EXPENDITURES:		
Capital outlay	<u>1,569,002</u>	<u>1,675,228</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>203,757</u>	<u>78,823</u>
FUND BALANCE (DEFICIT), beginning of year	<u>4,914</u>	<u>(73,909)</u>
FUND BALANCE, end of year	<u>\$ 208,671</u>	<u>\$ 4,914</u>

OKEMOS PUBLIC SCHOOLS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED JUNE 30, 2008

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
ELEMENTARY AGENCY FUND				
ASSETS				
Cash	\$ 122,279	\$ 234,455	\$ 236,297	\$ 120,437
LIABILITIES				
Due to student groups	\$ 122,279	\$ 234,455	\$ 236,297	\$ 120,437
MIDDLE SCHOOL AGENCY FUND				
ASSETS				
Cash	\$ 189,098	\$ 427,271	\$ 388,346	\$ 228,023
LIABILITIES				
Due to student groups	\$ 189,098	\$ 427,271	\$ 388,346	\$ 228,023
HIGH SCHOOL AGENCY FUNDS				
ASSETS				
Cash	\$ 230,351	\$ 580,833	\$ 529,039	\$ 282,145
Investments - certificate of deposit	11,092	1,550	-	12,642
	\$ 241,443	\$ 582,383	\$ 529,039	\$ 294,787
LIABILITIES				
Due to other government	\$ 10,060	\$ 1,550		\$ 11,610
Due to student groups	231,383	580,833	529,039	283,177
	\$ 241,443	\$ 582,383	\$ 529,039	\$ 294,787

**OKEMOS PUBLIC SCHOOLS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED JUNE 30, 2008**

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
BUSINESS OFFICE AGENCY FUND				
ASSETS				
Cash	\$ 139,824	\$ 127,040	\$ 162,738	\$ 104,126
LIABILITIES				
Due to student groups	\$ 139,824	\$ 127,040	\$ 162,738	\$ 104,126
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash	\$ 681,552	\$ 1,369,599	\$ 1,316,420	\$ 734,731
Investments - certificate of deposit	11,092	1,550	-	12,642
	<u>\$ 692,644</u>	<u>\$ 1,371,149</u>	<u>\$ 1,316,420</u>	<u>\$ 747,373</u>
LIABILITIES				
Due to other government	\$ 10,060	\$ 1,550	\$	\$ 11,610
Due to student groups	682,584	1,369,599	1,316,420	735,763
	<u>\$ 692,644</u>	<u>\$ 1,371,149</u>	<u>\$ 1,316,420</u>	<u>\$ 747,373</u>

**OKEMOS PUBLIC SCHOOLS
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
LIABILITIES BY SCHOOL
YEAR ENDED JUNE 30, 2008**

	Balance				Balance
	June 30, 2007	Additions	Deductions		June 30, 2008
ELEMENTARY:					
Bennett Woods:					
Contingency fund	\$ 16,791	\$ 27,224	\$ 25,761	\$	18,254
Media	440	3,243	3,153		530
Central:					
5th grade activity	2,032	139	2,082		89
Andrew Freeman	3,991	932	933		3,990
Book Fair - reading	3,205	411	1,267		2,349
Contingency fund	11,532	3,549	4,712		10,369
Field trip	157	2,288	2,445		-
Junior great books	173	23	-		196
Store - Spirit Shop	125	16	-		141
Student council	329	302	-		631
Tech Ed	6	941	935		12
Vending	433	560	503		490
Cornell:					
Art	280	3,782	2,557		1,505
Book fair - reading	2,958	13,106	13,046		3,018
Drama	595	669	92		1,172
Field trip	6,300	51,405	54,446		3,259
Media	-	4,912	3,901		1,011
Office-Cornell	-	76	-		76
Scholarships	-	3,657	-		3,657
Visiting authors	65	8	-		73
Yearbook	1,753	1,978	315		3,416
Edgewood/Montessori:					
Adopt-A-Book	1,500	1,122	1,734		888
Book fair	2,449	6,401	4,538		4,312
Contingency	3,518	13,672	14,526		2,664
Field trips	3,719	8,604	10,122		2,201
Literacy	-	14	-		14

**OKEMOS PUBLIC SCHOOLS
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
LIABILITIES BY SCHOOL
YEAR ENDED JUNE 30, 2008**

	Balance			Balance
	June 30, 2007	Additions	Deductions	June 30, 2008
ELEMENTARY (Continued)				
Edgewood/Montessori:				
Music	\$ 37	\$ 5	\$	\$ 42
Student council	821	2,789	3,470	140
Contingency	5	-	-	5
Hiawatha:				
Book Fair - reading	4,567	15,500	15,166	4,901
Camp fund	1,378	770	2,026	122
Media	678	245	900	23
Field Trips Kindergarten	888	2,650	2,510	1,028
Field trips	1,256	572	867	961
1st grade field trip	108	1,753	1,683	178
3rd grade field trip	-	1,786	1,000	786
5th grade field trip	416	6,361	5,437	1,340
Greenfield Village	1	-	-	1
Vending	1,768	451	1,226	993
Media	2,086	4,620	5,811	895
Safety Patrol	267	357	569	55
Space Camp Hiawatha	1	-	-	1
Staff PTO Budget	45	59	-	104
Store	10,383	6,420	7,889	8,914
Student Council	9,482	5,491	7,288	7,685
Yearbook	4,949	316	4,114	1,151

OKEMOS PUBLIC SCHOOLS
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
LIABILITIES BY SCHOOL
YEAR ENDED JUNE 30, 2008

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
ELEMENTARY (Concluded)				
Wardcliff:				
1st grade	\$ 214	\$ 781	\$ 959	\$ 36
2nd grade	-	2,319	2,255	64
3rd grade	-	274	274	-
5th grade	68	11,182	10,468	782
Camp	-	53	-	53
Chorus	2,027	2,067	2,272	1,822
Contingency Fund	16,053	4,709	2,685	18,077
Drama	-	196	-	196
4th Grade Spilker	429	671	1,099	1
4th Grade-Wardcliff	311	2,543	1,665	1,189
Garden	995	126	343	778
IMC	351	3,392	3,191	552
Kindergarten	121	2,382	2,066	437
Literacy	193	2,592	1,623	1,162
Playground	-	907	-	907
Spirit Shop	-	864	338	526
Sound Club	-	214	35	179
Spartan Program	30	4	-	34
TOTAL ELEMENTARY	122,279	234,455	236,297	120,437
MIDDLE SCHOOL:				
Chippewa:				
Andros Richter	1,945	372	1,536	781
Art	2	-	-	2
Atkins	29	314	338	5
Athletics	1,839	10,033	10,944	928
Band	1,621	5,215	6,025	811

**OKEMOS PUBLIC SCHOOLS
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
LIABILITIES BY SCHOOL
YEAR ENDED JUNE 30, 2008**

	Balance			Balance
	June 30, 2007	Additions	Deductions	June 30, 2008
MIDDLE SCHOOL (Continued):				
Chippewa:				
7th grade camp	\$	\$ 40	\$ 40	\$
Camp	4,795	26,485	25,405	5,875
Cedar Point	313	11,515	11,828	-
Celebration account	102	13	-	115
Chorus	847	7,539	4,402	3,984
Concession	287	3,213	2,410	1,090
7th grade field trips	2,439	10,810	9,900	3,349
8th grade field trips	70	12,712	11,848	934
Fitness Lab Memorial	261	34	-	295
French	664	270	244	690
German	137	18	-	155
Guidance	766	1,745	465	2,046
Morris/Pixley	35	5	-	40
Achieve	1,070	139	60	1,149
Language Arts	39	5	-	44
Klick	5	-	-	5
Locks - Phys Ed	1	224	-	225
Lugnuts	30	4	-	34
Officials	7,851	40,138	46,929	1,060
Fushion	1,139	1,014	675	1,478
MSJ	463	1,074	1,229	308
Media	136	18	-	154
Miscellaneous	408	59	-	467
Music	3,523	6,424	6,096	3,851

**OKEMOS PUBLIC SCHOOLS
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
LIABILITIES BY SCHOOL
YEAR ENDED JUNE 30, 2008**

	Balance				Balance
	June 30, 2007	Additions	Deductions		June 30, 2008
MIDDLE SCHOOL (Continued):					
Chippewa:					
Paperback	\$ 1,542	\$ 6,982	\$ 6,917	\$	1,607
Principal's account	3,681	4,283	7,384		580
Registration	3,594	467	-		4,061
Lost/damaged books	580	274	-		854
Scholarship	34	13,145	295		12,884
6th grade activity	2,611	18,223	17,505		3,329
Science	1,016	125	330		811
Naganit	9,453	2,059	662		10,850
Social Studies	4	-	-		4
Spanish	441	1,507	542		1,406
Store - Spirit shop	718	120	-		838
Student Council	250	184	30		404
Tech ed	178	23	-		201
Tetra camp	5,319	10,265	9,503		6,081
Theater	26,952	9,032	6,962		29,022
Tribute	495	71	-		566
Yearbook	-	43,017	40,987		2,030
Kinawa:					
Activity-Kinawa	521	132	64		589
Athletics	5,726	11,428	15,788		1,366
Band	932	8,888	8,480		1,340
Counseling	1,021	897	1,190		728
Camp	4,819	22,170	20,139		6,850

**OKEMOS PUBLIC SCHOOLS
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
LIABILITIES BY SCHOOL
YEAR ENDED JUNE 30, 2008**

	Balance			Balance
	June 30, 2007	Additions	Deductions	June 30, 2008
MIDDLE SCHOOL (Continued):				
Kinawa:				
Cedar Point	\$ 3,356	\$ 9,258	\$ 8,779	\$ 3,835
Chorus	1,938	5,014	3,727	3,225
Concession	8,654	5,544	2,583	11,615
Damaged books	9,884	1,887	431	11,340
Grant	1,095	207	-	1,302
IMC	822	3,926	2,542	2,206
Vending	7,483	7,046	5,480	9,049
Locks	560	397	915	42
Officials	1	10,573	9,299	1,275
Miscellaneous	2,837	6,703	3,614	5,926
Music	200	4,091	3,479	812
Scholarship	8,741	1,137	-	9,878
Science Olympiad	542	66	-	608
Sunshine club	17	3	-	20
Student Council	9,854	22,365	19,669	12,550
Tech Ed	236	31	-	267
Theater	6,999	10,846	5,251	12,594
Team 7-1	3,091	3,421	3,454	3,058
Team 8-1	6,102	9,431	8,416	7,117
Team 6-2	30	7	-	37
Team 6-1	125	14	124	15
Team 6-3				
Team 6-4	3,734	11,146	10,026	4,854
Tournament	8,429	11,891	14,783	5,537
Yearbook	3,664	9,543	8,622	4,585
TOTAL MIDDLE SCHOOL	189,098	427,271	388,346	228,023

**OKEMOS PUBLIC SCHOOLS
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
LIABILITIES BY SCHOOL
YEAR ENDED JUNE 30, 2008**

	Balance			Balance
	June 30, 2007	Additions	Deductions	June 30, 2008
OKEMOS HIGH SCHOOL:				
AP Exams	\$ 3,557	\$ 49,582	\$ 45,020	\$ 8,119
Action	11,362	1,373	1,721	11,014
Art Club	-	1,955	1,348	607
Asian American	18	622	561	79
Athletic projects - Stolz	4,960	23,316	27,746	530
Athletic scholarship	523	871	-	1,394
Band	3,092	6,870	6,321	3,641
Black student union	-	191	22	169
OHS basic class	-	1	-	1
Capital Circuit League	31	4	-	35
Ceramic	177	23	-	200
Chorus	4,496	13,658	7,101	11,053
Cinema Club	7	1	-	8
Class of 2002	558	67	611	14
Class of 2003	527	63	578	12
Class of 2004	12	1	-	13
Class of 2005	969	126	-	1,095
Class of 2006	7,555	240	-	7,795
Class of 2007	6,343	1,047	832	6,558
Class of 2008	10,134	7,793	6,622	11,305
Class of 2009	4,220	15,269	15,677	3,812
Class of 2010	1,200	10,265	9,045	2,420
Class of 2011	-	3,423	2,751	672
Close Up Foundation	4,230	553	150	4,633
Coaches Fund	4,540	2,001	-	6,541
Damaged books - Adm.	15,151	17,799	16,775	16,175
Damaged books - Band	18	3	-	21

**OKEMOS PUBLIC SCHOOLS
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
LIABILITIES BY SCHOOL
YEAR ENDED JUNE 30, 2008**

	Balance			Balance
	June 30, 2007	Additions	Deductions	June 30, 2008
OKEMOS HIGH SCHOOL (Continued):				
Damaged books - Business	\$ 1	\$ -	\$ -	\$ 1
Damaged books - Choir	18	3	-	21
Damaged books - English	2,528	1,010	650	2,888
Damaged books - Eng Ess	184	24	-	208
Damaged books - Foreign Language	9,251	12,981	8,825	13,407
Damaged books - Life Skills	32	60	-	92
Damaged books - Math	96	3,031	984	2,143
Damaged books - Phys Ed	141	133	-	274
Damaged books - Science	5,043	1,636	3,759	2,920
Damaged books - Social Studies	872	2,784	2,350	1,306
Damaged books - Orchestra	1,364	177	-	1,541
Debate Club	152	5,775	5,808	119
DeRath Memorial	10	1	-	11
Earth science	863	1,422	874	1,411
Earth watchers	450	58	-	508
Energy grant	62	8	-	70
Entry fees	1	14,912	14,836	77
Faculty lounge	2,532	1,499	682	3,349
Fashion show	-	1,594	358	1,236
Field Trip - Boston	11	152	150	13
Field Trip - Morrison	2	-	-	2
Field trip - English	528	82	-	610
Field trip - Stratford	-	6,350	6,350	-
Forensics	4	-	-	4
French Club	14,206	5,072	2,887	16,391
German Club	208	27	35	200
German Exchange Program	350	777	842	285

OKEMOS PUBLIC SCHOOLS
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
LIABILITIES BY SCHOOL
YEAR ENDED JUNE 30, 2008

	Balance			Balance
	June 30, 2007	Additions	Deductions	June 30, 2008
OKEMOS HIGH SCHOOL (Continued):				
Golf (boys)	\$ 822	\$ 2,562	\$ 1,262	\$ 2,122
Grant	15	2	-	17
Grant - Teachers	244	132	-	376
Greenhouse	250	32	-	282
Hockey	110	22,137	21,613	634
Honor Society	2,685	2,410	2,440	2,655
IMC copier money	3,379	722	730	3,371
Key Club	236	519	468	287
Latin Club	273	35	-	308
Life Skills	-	761	520	241
Literary Magazine	2,033	2,403	2,032	2,404
Memorial Fund	90	12	-	102
Bertrand spirit	-	250	250	-
Johnson family scholarship	-	1,000	1,000	-
Memorial Fund-Laurence	359	47	-	406
Model U.N.	-	1	-	1
NCA	-	1,431	-	1,431
Oakie Breakfast Club	2,764	373	-	3,137
Officials	4	65,112	65,106	10
OHS Basic Class	1	-	-	1
OHS Science Olympiad	98	592	615	75
OHS Touch of Class	426	5,582	5,121	887
Orchestra	1,512	184	-	1,696
Pals	454	240	610	84
Photo	95	1,676	1,748	23
Pole Vault	2,558	8,591	5,992	5,157
Polo	2,757	16,305	16,035	3,027

**OKEMOS PUBLIC SCHOOLS
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
LIABILITIES BY SCHOOL
YEAR ENDED JUNE 30, 2008**

	Balance				Balance
	June 30, 2007	Additions	Deductions		June 30, 2008
OKEMOS HIGH SCHOOL (Continued):					
Quiz Bowl	\$ 163	\$ 342	\$ 504	\$	1
Radio Club	498	446	260		684
Reserve Student Council	4,868	577	5,300		145
Robotics	661	25,873	21,396		5,138
S.A.D.D.	1,345	442	500		1,287
Sangam	281	37	-		318
School Newspaper - H.S.	2,974	13,747	9,828		6,893
Seismic Station	1,687	220	-		1,907
Senior Volunteer Project	188	2,841	3,028		1
Shaw Festival Trip	1,222	159	-		1,381
Ski team	-	269	-		269
Soccer	1	6,165	2,491		3,675
Spanish Club	5,139	1,504	783		5,860
Sports Camp-Froelich	4,055	4,665	3,915		4,805
Sr. Servant	24	2,524	2,536		12
Store-Spirit Shop	6,983	27,715	29,224		5,474
Student Council	1	18,341	15,197		3,145
Student Environ Action	557	318	21		854
Substance Abuse	391	51	-		442
Swim Team - Boys	146	398	327		217
Swim Team - Girls	-	10	-		10
Tech Ed	-	183	183		-
Television	319	42	-		361
Theatrical	40,138	28,988	25,048		44,078

**OKEMOS PUBLIC SCHOOLS
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
LIABILITIES BY SCHOOL
YEAR ENDED JUNE 30, 2008**

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
OKEMOS HIGH SCHOOL (Continued):				
Traqvis Memorial	\$ 25	\$ 3	\$	\$ 28
Trip (NYC)	5	110	-	115
Water Polo	-	102	-	102
Weight room	-	4,495	584	3,911
Wrestling	-	5,310	3,560	1,750
Yearbook	12,954	84,768	86,541	11,181
Young Democrats	2,363	308	-	2,671
Young Republicans	641	84	-	725
TOTAL HIGH SCHOOL	231,383	580,833	529,039	283,177
BUSINESS OFFICE:				
Basketball	-	21,017	5,459	15,558
Community education equipment	1,546	201	-	1,747
Community education office supplies	1,628	4,269	3,707	2,190
Community education - playground	1,137	148	-	1,285
Community education - scholarships	14,561	6,489	3,244	17,806
Contingency fund	383	50	-	433
Appreciation dinner	111	15	-	126
C.M.S.M.A.	227	16	241	2
Contingency - transport	291	184	65	410
Don Skinner Memorial Fund	17	3	-	20
Football	2,649	8,408	5,711	5,346
Interest-IMF & Checking	63,681	24,781	89,273	(811)
Mark Moskal Memorial Fund	320	42	-	362
Meijer rewards	1,147	253	-	1,400
Michelle Smith Memorial	103	13	-	116
Miscellaneous	42	5	-	47
Nina Massa Memorial	7,198	3,003	804	9,397

**OKEMOS PUBLIC SCHOOLS
STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND
LIABILITIES BY SCHOOL
YEAR ENDED JUNE 30, 2008**

	Balance June 30, 2007	Additions	Deductions	Balance June 30, 2008
BUSINESS OFFICE (Concluded):				
Oaks	\$	\$ 3,981	\$ 1,549	\$ 2,432
Okemos Channel - Ottinger	17,402	15,939	24,959	8,382
Parent Council	29	4	-	33
Sarah Doig Memorial	143	19	-	162
Senior Center	7,278	20,048	15,323	12,003
Special Needs Camp	19,458	17,468	12,054	24,872
Unclaimed deposits	191	569	349	411
Volley for the cure	-	78	-	78
Wellness	282	37	-	319
TOTAL BUSINESS OFFICE	139,824	127,040	162,738	104,126
TOTAL - ALL AGENCY FUNDS	\$ 682,584	\$ 1,369,599	\$ 1,316,420	\$ 735,763

**OKEMOS PUBLIC SCHOOLS
GENERAL LONG-TERM DEBT ACCOUNT GROUP
BONDED DEBT SERVICE – PRINCIPAL AND INTEREST REQUIREMENTS
YEAR ENDED JUNE 30, 2008**

<u>Date</u>	<u>Name</u>	<u>Kind</u>	<u>Original issue</u>
February 2, 1993	Capital appreciation bonds	Serial	<u>\$ 17,321,722</u>

Purpose: The proceeds from the bonds will be used for the purpose of refunding a portion of the School District's outstanding school bonds dated August 22, 1991 which bonds are due and payable through 2021 and to pay the cost of issuance.

Capital appreciation (serial) bonds issued for \$17,321,722 (face amount at maturity \$80,225,000). On February 2, 1993, the approximate yield of the bond's appreciation ranges from 6.45% to 6.55%.

<u>Date</u>	<u>Appreciation</u>	<u>Payments</u>	<u>Value</u>
May 1, 2008	\$ 1,451,748	\$ -	\$ 46,027,737
November 1, 2008	1,498,989		47,526,726

**OKEMOS PUBLIC SCHOOLS
GENERAL LONG-TERM DEBT ACCOUNT GROUP
BONDED DEBT SERVICE – PRINCIPAL AND INTEREST REQUIREMENTS
YEAR ENDED JUNE 30, 2008**

<u>Date</u>	<u>Appreciation</u>	<u>Payments</u>	<u>Appreciation value</u>
05/01/09	\$ 1,547,823	\$	\$ 49,074,549
11/01/09	1,598,227		50,672,776
05/01/10	1,650,282		52,323,058
11/01/10	1,704,042		54,027,100
05/01/11	1,759,527		55,786,627
11/01/11	1,816,815		57,603,442
05/01/12	1,876,156	6,325,000	53,154,598
11/01/12	1,733,135		54,887,733
05/01/13	1,789,851	6,650,000	50,027,584
11/01/13	1,633,562		51,661,146
05/01/14	1,686,899	7,000,000	46,348,045
11/01/14	1,514,448		47,862,493
05/01/15	1,564,079	7,355,000	42,071,572
11/01/15	1,376,025		43,447,597
05/01/16	1,421,128	7,740,000	37,128,725
11/01/16	1,215,952		38,344,677
05/01/17	1,255,808	8,145,000	31,455,485
11/01/17	1,030,173		32,485,658
05/01/18	1,063,919	8,565,000	24,984,577
11/01/18	818,248		25,802,825
05/01/19	845,348	9,010,000	17,638,173
11/01/19	577,668		18,215,841
05/01/20	597,037	9,475,000	9,337,878
11/01/20	305,812		9,643,690
05/01/21	316,310	9,960,000	

**OKEMOS PUBLIC SCHOOLS
GENERAL LONG-TERM DEBT ACCOUNT GROUP
BONDED DEBT SERVICE – PRINCIPAL AND INTEREST REQUIREMENTS
YEAR ENDED JUNE 30, 2008**

<u>Date</u>	<u>Name</u>	<u>Kind</u>	<u>Original issue</u>
August 1, 1999	1999 refunding bonds	General obligation	<u>\$7,135,000</u>

Purpose:

The proceeds from the bonds will be used for the purpose of refunding a portion of the School District's outstanding school building and site bonds dated August 22, 1991 which bonds are due and payable through 2009 and to pay the cost of issuance.

<u>Maturity date</u>	<u>Interest rate</u>	<u>Principal due May 1</u>	<u>Interest due</u>		<u>Total</u>
			<u>May 1</u>	<u>November 1</u>	
2009	4.70	<u>\$ 2,025,000</u>	<u>\$ 47,588</u>	<u>\$ -</u>	<u>\$2,072,588</u>

**OKEMOS PUBLIC SCHOOLS
GENERAL LONG-TERM DEBT ACCOUNT GROUP
BONDED DEBT SERVICE – PRINCIPAL AND INTEREST REQUIREMENTS
YEAR ENDED JUNE 30, 2008**

Date	Name	Kind	Original issue
March 4, 2003	2003 Refunding bonds	General obligation	<u>\$ 19,725,000</u>

Purpose: The proceeds from the bonds will be used for the purpose of refunding a portion of the School District's outstanding school refunding bonds dated June 9, 1993 and February 1, 1994 which bonds are due and payable through 2019 and to pay the cost of issuance.

Maturity date May 1,	Interest rate	Principal due May 1	Interest due		Total
			May 1	November 1	
2009	4.750	\$ 2,640,000	\$ 379,128	\$ 316,428	\$ 3,335,556
2010	4.750	5,255,000	316,428	191,622	5,763,050
2011	5.000	5,875,000	191,622	44,747	6,111,369
2012	4.250	215,000	44,747	40,178	299,925
2013	4.250	275,000	40,178	34,334	349,512
2014	4.000	305,000	34,334	28,234	367,568
2015	4.125	335,000	28,234	21,325	384,559
2016	4.250	335,000	21,325	14,206	370,531
2017	4.375	310,000	14,206	7,425	331,631
2018	4.400	225,000	7,425	2,475	234,900
2019	4.500	110,000	2,475	-	112,475
		<u>\$ 15,880,000</u>	<u>\$ 1,080,102</u>	<u>\$ 700,974</u>	<u>\$ 17,661,076</u>

**OKEMOS PUBLIC SCHOOLS
GENERAL LONG-TERM DEBT ACCOUNT GROUP
BONDED DEBT SERVICE – PRINCIPAL AND INTEREST REQUIREMENTS
YEAR ENDED JUNE 30, 2008**

<u>Date</u>	<u>Name</u>	<u>Kind</u>	<u>Original issue</u>
June 11, 2007	2007 school technology bonds	General obligation	<u>\$ 6,800,000</u>

Purpose: The proceeds from the bonds will be used for the purpose of acquiring buses and installing technology.

<u>Maturity date</u>	<u>Interest rate</u>	<u>Principal due May 1</u>	<u>Interest due</u>		<u>Total</u>
			<u>May 1</u>	<u>November 1</u>	
2009	4.125	\$ 1,525,000	\$ 111,994	\$ 80,541	\$ 1,717,535
2010	4.125	1,450,000	80,541	50,634	1,581,175
2011	4.125	1,280,000	50,634	24,234	1,354,868
2012	4.125	<u>1,175,000</u>	<u>24,234</u>	<u>-</u>	<u>1,199,234</u>
		<u>\$ 5,430,000</u>	<u>\$ 267,403</u>	<u>\$ 155,409</u>	<u>\$ 5,852,812</u>

OKEMOS PUBLIC SCHOOLS
ADDITIONAL REPORTS REQUIRED BY
OMB CIRCULAR A-133
YEAR ENDED JUNE 30, 2008

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Lamonte T. Lator
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James R. Dedyne

Timothy H. Adams
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Edward L. Williams, III
Timothy J. Orians
Dennis D. Theis
James A. McNeeley

Walter P. Maner, Jr. (1921-2004)
Floyd L. Costerisan
Leon A. Ellis (1933-1988)

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Education
Okemos Public Schools

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Okemos Public Schools as of and for the year ended June 30, 2008, which collectively comprise Okemos Public Schools' basic financial statements and have issued our report thereon dated September 12, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Okemos Public Schools' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

A *control deficiency* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Okemos Public Schools' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Okemos Public Schools in a separate letter dated September 12, 2008.

This report is intended solely for the information and use of the board of education, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mamie Costeniser & Ellis, P.C.

September 12, 2008



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**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH OMB CIRCULAR A-133**

To the Board of Education
Okemos Public Schools

Compliance

We have audited the compliance of Okemos Public Schools with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Okemos Public Schools' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Okemos Public Schools' management. Our responsibility is to express an opinion on Okemos Public Schools' compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Okemos Public Schools' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions. Our audit does not provide a legal determination of Okemos Public Schools' compliance with those requirements.

In our opinion, Okemos Public Schools complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008.

Internal Control Over Compliance

The management of Okemos Public Schools is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Okemos Public Schools' internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A *control deficiency* in a district's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the district's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the district's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the district's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Okemos Public Schools as of and for the year ended June 30, 2008, and have issued our report thereon dated September 12, 2008. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise Okemos Public Schools basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board of Education, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mayer, Costenizer & Ellis, P.C.

September 12, 2008

OKEMOS PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal grantor/pass-through grantor program title	Federal CFDA number	Pass- through grantor's number	Award amount	Accrued (deferred) revenue 6/30/2007	Prior year expenditures (memorandum only)	Current year expenditures	Current year receipts (cash basis)	Accrued (deferred) revenue 6/30/2008
<u>U.S. Department of Agriculture:</u>								
Passed through Michigan Department of Education:								
Child nutrition cluster:								
National School Lunch Program - Section 4	10.555	071950	\$ 5,296	\$ 8,646	\$ 42,286	\$ 5,296	\$ 13,942	\$ -
National School Lunch Program - Section 4		081950	49,669			49,669	39,403	10,266
National School Lunch Program - Section 11		071960	11,829	19,643	95,995	11,829	31,472	-
National School Lunch Program - Section 11		081960	123,859			123,859	98,726	25,133
			<u>190,653</u>	<u>28,289</u>	<u>138,281</u>	<u>190,653</u>	<u>183,543</u>	<u>35,399</u>
National School Lunch Program - Breakfast	10.553	71970	881	-	-	881	881	-
		81970	13,108	-	-	13,108	13,108	-
			<u>13,989</u>	<u>-</u>	<u>-</u>	<u>13,989</u>	<u>13,989</u>	<u>-</u>
Total child nutrition cluster			<u>204,642</u>	<u>28,289</u>	<u>138,281</u>	<u>204,642</u>	<u>197,532</u>	<u>35,399</u>
National School Lunch Program - Commodities:								
Entitlement:	10.550							
Bonus			649	-	42	649	649	-
Entitlement			45,327	-	29,460	45,327	45,327	-
			<u>45,976</u>	<u>-</u>	<u>29,502</u>	<u>45,976</u>	<u>45,976</u>	<u>-</u>
Total U.S. Department of Agriculture			<u>250,618</u>	<u>28,289</u>	<u>167,783</u>	<u>250,618</u>	<u>243,508</u>	<u>35,399</u>
<u>U.S. Department of Education:</u>								
Passed through Michigan Department of Education:								
Title I	84.010	081530 0708	351,835	-	-	265,822	110,000	155,822
		071530 0607	217,179	81,517	181,517	-	81,517	-
		061530 0607	36,690	36,690	36,690	-	36,690	-
			<u>605,704</u>	<u>118,207</u>	<u>218,207</u>	<u>265,822</u>	<u>228,207</u>	<u>155,822</u>
Title V	84.298	080250 0708	854	-	-	854	854	-
		070250 0607	855	-	855	-	-	-
			<u>1,709</u>	<u>-</u>	<u>855</u>	<u>854</u>	<u>854</u>	<u>-</u>

The accompanying notes are an integral part of this schedule.

OKEMOS PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2008

Federal grantor/pass-through grantor program title	Federal CFDA number	Pass- through grantor's number	Award amount	Accrued (deferred) revenue 6/30/2007	Prior year expenditures (memorandum only)	Current year expenditures	Current year receipts (cash basis)	Accrued (deferred) revenue 6/30/2008
<u>U.S. Department of Education (Concluded):</u>								
Passed through Michigan Department of Education (Concluded):								
Title II Part D	84.318	084290 0708	\$ 2,715	\$ -	\$ -	\$ 2,715	\$ 2,715	\$ -
		074290 0607	2,599	2,599	2,599	-	2,599	-
			<u>5,314</u>	<u>2,599</u>	<u>2,599</u>	<u>2,715</u>	<u>5,314</u>	<u>-</u>
Title II Part A	84.367	080520 0708	159,176	-	-	103,078	33,500	69,578
		070520 0607	97,008	36,228	36,228	-	36,228	-
		060520 0607	60,871	60,871	60,871	-	60,871	-
			<u>317,055</u>	<u>97,099</u>	<u>97,099</u>	<u>103,078</u>	<u>130,599</u>	<u>69,578</u>
Title III, Limited English	84.365	080580 0708	19,653	-	-	3,949	-	3,949
Total Michigan Department of Education			<u>949,435</u>	<u>217,905</u>	<u>318,760</u>	<u>376,418</u>	<u>364,974</u>	<u>229,349</u>
Passed through Ingham Intermediate School District								
IDEA	84.173	080460 0708	16,475	-	-	16,475	-	16,475
		070460 0607	20,708	20,708	20,708	-	20,708	-
			<u>37,183</u>	<u>20,708</u>	<u>20,708</u>	<u>16,475</u>	<u>20,708</u>	<u>16,475</u>
Total U.S. Department of Education			<u>986,618</u>	<u>238,613</u>	<u>339,468</u>	<u>392,893</u>	<u>385,682</u>	<u>245,824</u>
Medicaid Outreach and transportation	93.778	2008	125,734	-	-	54,923	31,176	23,747
Medicaid Outreach	93.778	2007	56,136	24,640	56,136	-	24,640	-
			<u>181,870</u>	<u>24,640</u>	<u>56,136</u>	<u>54,923</u>	<u>55,816</u>	<u>23,747</u>
<u>Environmental Protection Agency:</u>								
Special purpose activities related to the Clean Air Act	66.036		388,519	(2,565)	80,417	56,610	54,045	-
Total Federal Assistance			<u>\$ 1,807,625</u>	<u>\$ 288,977</u>	<u>\$ 643,804</u>	<u>\$ 755,044</u>	<u>\$ 739,051</u>	<u>\$ 304,970</u>

The accompanying notes are an integral part of this schedule.

OKEMOS PUBLIC SCHOOLS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2008

1. Basis of presentation - The accompanying schedule of expenditures of federal awards includes the grant activity of Okemos Public Schools and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with OMB Circular A-133 and reconciles with the amounts presented in the preparation of the financial statements.
2. CFDA #84.010 was audited as the major programs, representing 35% of expenditures. The District qualifies for low risk auditee status.
3. The threshold for distinguishing Type A and Type B programs was \$300,000.
4. Management has utilized the Grant Section Auditors' Report (Form R7120) and the Grant Audit Report in preparing the Schedule of Expenditures of Federal Awards.
5. Federal expenditures are reported as revenue in the following funds in the financial statements:

General fund	\$ 575,235
Other nonmajor governmental fund	250,620
Less Medicaid fee for service recorded as federal revenue	<u>(70,811)</u>
Subtotal	<u><u>\$ 755,044</u></u>

**OKEMOS PUBLIC SCHOOLS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:

Unqualified

- Material weakness(es) identified: _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported
- Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified: _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? _____ Yes X None reported

Type of auditors' report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported with Section 510(a) of Circular A-133? _____ Yes X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I

Dollar threshold used to distinguish between type A and type B programs:

 \$300,000

Auditee qualified as low-risk auditee? X Yes _____ No

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

**OKEMOS PUBLIC SCHOOLS
SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2008**

There were no audit findings for the year ended June 30, 2007.



Lamonte T. Lator
Bruce J. Dunn
Jeffrey C. Stevens
Linda I. Schirmer
Steven W. Scott
David M. Raeck
Robert E. Miller, Jr.
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Dennis D. Theis
James A. McNeeley

Walter P. Maner, Jr. (1921-2004)
Floyd L. Costerisan
Leon A. Ellis (1933-1988)

September 12, 2008

To the Board of Education
Okemos Public Schools

In planning and performing our audit of the financial statements of Okemos Public Schools as of and for the year ended June 30, 2008, in accordance with auditing standards generally accepted in the United States of America, we considered Okemos Public Schools' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Okemos Public Schools' internal control. Accordingly, we do not express an opinion on the effectiveness of the Okemos Public Schools' internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated September 12, 2008 on the financial statements of Okemos Public Schools. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. Our comments are summarized as follows.

Uninsured bank deposits

During recent months, we have all heard the numerous issues involving the banking industry. Currently, it is our understanding; there are limits to FDIC insured balances. Generally, the limits are \$100,000 for demand accounts (checking) and \$100,000 for time deposit accounts (savings/certificates of deposit). Districts may also request certain funds be collateralized by the bank. There are other options regarding investing surplus funds from investment pools and treasury investments to commercial paper.

We are not investment advisors; however, we encourage you to meet with your investment representatives to review all of your options regarding surplus funds. The Director of Accounting has been proactive in this area, initiating discussions with the district's primary bank officials. We also recommend you review the District's investment policy to ensure it continues to satisfy Okemos Public Schools' goals.

This report is intended solely for the information and use of Okemos Public Schools, management, and others within the District, and is not intended to be and should not be used by anyone other than these specified parties.

We appreciate the cooperation we received from your staff during our engagement and the opportunity to be of service.

Very truly yours,

Mamie Costeniser, E. Ellis, P.C.



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September 12, 2008

To the Board of Education
Okemos Public Schools

We have audited the financial statements of Okemos Public Schools for the year ended June 30, 2008, and have issued our report thereon dated September 12, 2008. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Auditing Standards Generally Accepted in the United States of America and OMB Circular A-133

As stated in our engagement letter, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered Okemos Public Schools' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirement that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether Okemos Public Schools' financial statements are free of material misstatement, we performed test of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also in accordance with OMB Circular A-133, we examined, on a test basis, evidence about Okemos Public Schools' compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the purpose of expressing an opinion on Okemos Public Schools' compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on Okemos Public Schools' compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on June 30, 2008.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Okemos Public Schools are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2008. We noted no transactions entered into by the Okemos Public Schools during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the liability of the payout of employee compensated absences upon their retirement is based on expected payout. We evaluated the key factors and assumptions used to develop the balance of compensated absences in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimated lives of capital assets. We evaluated the key factors and assumptions used to develop the estimated life span of the capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 12, 2008.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Okemos Public Schools' financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Okemos Public Schools' auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the Board of Education and management and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Mayer, Costeniser & Ellis, P.C.